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Multi-stakeholder dialogue

Note by the Secretariat

Addendum

Discussion paper contributed by the business and industry major group**

Summary

The business and industry major group recognizes that social and cultural aspects of forests; traditional forest-related knowledge; scientific forest-related knowledge; monitoring, assessment and reporting; and criteria and indicators for sustainable forest management are all important in making progress towards sustainable forest management around the world. The group would urge the United Nations Forum on Forests to strongly support the strengthening of scientific research on forest health, productivity, natural regeneration and plantation management and establishment. The group urges the Forum to accept a common set of sustainable forest management criteria and to acknowledge that they can form a framework for the recognition of a variety of systems used to evaluate the effectiveness of forest management practice that meet basic thresholds of credibility. The group is concerned that more efforts need to be focused at the international level on creating secure, predictable, legally structured institutional frameworks within which businesses can operate. Curtailing illegal logging in protected areas must be a priority. The private sector can be important in expanding the use and implementation of improved forest practices, and countries should encourage more collaboration with the private sector to help achieve its sustainability goals for forests.

* E/CN.18/2004/1.

** Prepared by the International Council of Forest and Paper Associations, the World Business Council for Sustainable Development and the Inter-African Forest Industries Association.

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I. Introduction

1. Deliberations at the fourth session of the United Nations Forum on Forests will address five thematic issues or substantive elements:

(a) Social and cultural aspects of forests;

(b) Traditional forest-related knowledge;

(c) Scientific forest-related knowledge;

(d) Criteria and indicators for sustainable forest management;

(e) Monitoring, assessment and reporting; concepts, terminology and definitions.

2. In the context of the five thematic issues, the means of implementation — finance, transfer of environmentally sound technologies and capacity-building — as well as common items, including trade, national forest programmes, public participation, experiences and lessons, will be discussed.

II. Background

3. The business and industry major focal group is represented by the International Council of Forest and Paper Associations, the World Business Council for Sustainable Development and the Inter-African Forest Industries Association.

4. The International Council of Forest and Paper Associations consists of trade associations in 39 countries representing industries accounting for 75 per cent of the world's paper production and more than 50 per cent of the world's wood production. The main goal of the Council is to serve as a forum for joint action in areas ranging from communication to data collection. The Council also deals with international matters and on developing and promoting common positions and represents the industry in multilateral organizations.

5. The World Business Council for Sustainable Development is a coalition of 165 international companies united by a shared commitment to sustainable development. Its members are drawn from more than 30 countries and 20 major industrial sectors, including forest-based industries. The Council also operates a global network of 40 national and regional business councils and partner organizations involving some 1,000 business leaders.

6. The Inter-African Forest Industries Association brings together through trade and industry associations and unions some 300 companies operating in the tropical timber sector throughout Central and Western Africa. In addition to acting as the voice of the industry representing its interests at the national and international levels, the Association also promotes the sustainable production and legal trade of African tropical timber.

7. The common interests of business and industry regarding the activities of the Forum is the focus on the sustainable management of the world's forest resources and encouragement of the private sector, government and intergovernmental bodies to each fulfil their appropriate roles to meet this important goal

8. The present paper represents the views of the International Council of Forest and Paper Associations, the World Business Council for Sustainable Development and the Inter-African Forest Industries Association and is provided to the secretariat of the United Nations Forum on Forests for consideration by members of the Collaborative Partnership on Forests in the preparation of the reports of the Secretary-General and to other Forum participants as a discussion paper.

III. Progress of the business and industry major group in implementing proposals for action and lessons learned

A. Social and cultural aspects of forests

9. The Intergovernmental Panel on Forests/Intergovernmental Forum on Forests (IPF/IFF) proposals for action call for an enhanced role of indigenous and local communities in sustainable forest management and in the implementation of sustainable forest management programmes. Local communities, dependent upon forest resources for their income and livelihood, can be negatively affected by Governments failing to take them into account when making decisions about forest management and use.

10. Illegal logging is a major issue for the forest and paper industry, which can be exacerbated by the exclusion of indigenous and local communities from the drawing up and implementation of forest management policies, particularly if harvesting and forest management, their only source of livelihood, is prohibited.

11. The expansion of the African Forest Law Enforcement Governance and Trade process is an important development that will go some way towards addressing the growing problem of illegal logging and related trade. The forest and paper industry welcomes the emphasis on partnerships between Governments, industry and environmental non-governmental organizations (NGOs). Such partnerships will help in identifying and working with indigenous and local communities to ensure that their sustainable forest management needs are fully recognized.

12. All donors are urged to recognize that social and cultural values are among the key principles required to achieve sustainability and that they play an important role in addressing other issues such as poverty alleviation.

13. The forest industry must be recognized as central to expanding the use and implementation of improved forest practices. For example, in Central Africa, the leading members of the Inter-African Forest Industries Association, who between them manage about 15 million hectares of forest concessions, have all started or finished long-term forest management plans for their concessions. Indeed, some 1.5 million hectares are already under such plans and have been certified under the Keurhout system. It is expected that in the next two to three years about 15 million hectares will be covered by management plans. Those larger companies operating in Central Africa play an important role as leaders in the profession and, through the forest sector unions regrouped within the Inter-African Forest Industries Association, they are a most effective promoter of sustainable forest management, reduced-impact logging techniques and added-value industrialization, in addition to being advocates in the fight against illegality.

B. Traditional forest-related knowledge

14. Business and industry support the continued efforts to expand the use of appropriate forest practices that take into account the sustainable development of forest resources, the conservation of biological diversity, the alleviation of poverty, the recognition of indigenous rights and the protection of the limited resources of local communities. An example of this commitment in Africa is the growing engagement of the private sector in drawing up and implementing sustainable forest management plans for their concessions, which are increasingly taking into account the integration of social and environmental aspects. This is especially evident in the Congo basin, where it is expected that in the next five years some 15 million hectares of forest concessions will be under such plans. Also in Africa, the private sector is working increasingly alongside environmental NGOs and local communities to develop pragmatic solutions to curbing the bushmeat crisis, such as the installation of eco-guards, the promotion of alternative protein sources, etc.

15. Business and industry also support increased transfer of knowledge through the implementation of professional training programmes for forest workers and managers in order to increase levels of personal and professional development and sustainable working practices. The Inter-African Forest Industries Association has successfully organized courses, partially financed by the European Union, on reduced impact logging for forest companies throughout the Congo basin over the past few years, which have led to an important reduction in resource waste and damage to the residual stand.

C. Scientific forest-related knowledge

16. The business and industry group strongly supports the need to strengthen research efforts in the area of sustainable forest management as a sound basis for forests policy and management. Furthermore, business and industry believe that priorities should adequately reflect the importance of forest health and productivity. There are substantial needs in this area and substantial benefits to be gained from increased fibre production as well as from more effective fire, insect and disease prevention and suppression programmes.

17. One major area of research (especially in the tropics) that is currently limited concerns the dynamics of natural regeneration of commercial timber species. Information of this nature is particularly important for efficient long-term stand management and species and forest sustainability in general. In addition, many of the trade restrictions originating in Europe and elsewhere that are linked to trade in timber species listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora could be avoided if this kind of information were more readily available, as such restrictions are often based purely on questions related to species population status and sustainability.

18. Research in sustainable forest management must meet the needs of both the public and private sectors. The private sector needs to have more input and involvement in the prioritization of research needs at all levels — nationally, regionally and globally. Private sector research in sustainable forest management initiatives should be accepted to a greater extent by the donor community for potential funding.

19. The private sector has made significant progress in the application of science to sustainable forest management. There is an ongoing need to improve the dissemination of information concerning innovations made and experiences learned. Information exchanges between the private sector, NGOs and donors should be expanded. One important area concerns interactions between forest and wildlife management. For example, the international donor community may consider funding short field courses run by wildlife specialists on how to integrate wildlife requirements into the forest management plan process.

20. Plantation establishment and management should be considered an important topic within the research, capacity-building and technical assistance priorities. IPF/IFF agreed that plantations were an important contributor to global forest sustainability. They represent an effective avenue for increasing forest productivity through fibre production while safeguarding the biodiversity and multifunctional role of other types of forests. If managed sustainably, natural forests and plantations can complement each other in the production of sustainable forest products. For example, the Brazilian pulp and paper industry has adopted strict sustainable forest management practices for the country's eucalyptus and pine plantations.

D. Sustainable forest management criteria and indicators

21. The United Nations Forum on Forests is encouraged to consider the conclusions and recommendations of the International Conference on the Contribution of Criteria and Indicators for Sustainable Forest Management, held in Guatemala City in February 2003. A commonly recognized set of criteria at the global level would improve the cost-effectiveness of assessments and would allow the transparent articulation of concerns about forest health and productivity among countries.

22. A variety of systems are currently in use around the world to evaluate the effectiveness of forest management practices in meeting goals, objectives and management standards. These systems use a wide range of indicators that are appropriate to the system and the area that is being evaluated. National and international processes related to criteria and indicators form an appropriate and necessary framework for those systems.

23. In order to facilitate the achievement of those goals, a system of mutual recognition for systems that meet basic thresholds of credibility is needed. The business and industry group calls for the continued involvement of the Food and Agriculture Organization of the United Nations as a convener of parties with an interest in this task and asks for acknowledgement from other international organizations that mutual recognition is an important contributor to sustainable forest management worldwide.

24. Local-level criteria and indicators may be developed and linked to national and international processes, but efforts should be made to recognize and accommodate existing systems (such as, in the United States of America, state-level information requirements, the Sustainable Forestry Initiative, etc.), rather than imposing additional data, information and evaluation requirements on forest landowners. Local-level criteria and indicators may be most effective at the watershed level or on larger scales rather than at the individual landowner level, particularly in cases

where forest land is held in small parcels. Local-level criteria and indicators must be geared to trends in the condition of forest land that are of concern in the local area.

25. The international criteria and indicators processes have been a major contributor towards the improvement of data and information on the trends and conditions of forests worldwide. There is, however, much more work to be done at the national level through the collection and analysis of this information in a systematic and consistent manner. The Quebec City Declaration, adopted in September 2003 by the Montreal Process Working Group, in which it decided to continue its work on the Montreal Process criteria and indicators, is welcomed. Similarly, it is important that there be a continuous revision and improvement of the criteria and indicators, as has been done in the Ministerial Conference on the Protection of Forests in Europe process.

E. Monitoring, assessment and reporting; concepts, terminology and definitions

26. There is an urgent need for a clear, concise and transparent format that all countries can use in reporting a progress they have made in implementing the commitments they have agreed to during the past 10 years of United Nations-sponsored forest negotiations, specifically the 270 separate IPF/IFF proposals for action. To encourage reporting and continual improvement, this task needs to be streamlined into a manageable system that will ultimately become part of a continual review and improvement process.

27. Consistent and reliable information from countries is vitally important for international reporting. International organizations may want to consider some research into the reasons for a low rate of response to requests for information, particularly from developing and underdeveloped countries.

28. The monitoring and assessment of forests is vitally important to the ability to curtail illegal logging. It is therefore very important that additional emphasis be placed on those activities, particularly in areas where illegal harvesting is known to be occurring. The forest and paper industry recognizes that there must be some prioritization of efforts to curb illegal logging, and therefore encourages a focus on legally designated protected areas as the first priority for action. The protected areas often contain areas of extremely high social, cultural and biological value and therefore must be afforded the protection they deserve through their recognition and designation.

29. While progress has been made on the issues of terminology and definitions, much work remains to be done in that area. This is very important if the various criteria and indicators processes, as well as certification systems, are to be fully developed and implemented.

IV. Recommendations to the United Nations Forum on Forests at its fourth session

30. **As outlined above, the business and industry major group recommends the following:**

(a) **Although IPF/IFF has invited countries to promote policies and regulations that encourage private sector investments, there is still much progress to be made in this area. Countries encourage forest investment when they create a secure, predictable, legally structured institutional framework within which businesses can operate. Although by no means confined to Africa, this is a particularly important and urgent need in a large majority of African tropical timber-producing countries, many of which have recently undergone or are still undergoing some form of civil unrest;**

(b) **The priority for national and international efforts with respect to illegal logging should be first to stop illegal logging in designated protected and prohibited areas in priority regions. However, despite this prioritization of actions to curb illegal logging, all forms of illegal logging in other areas should be aggressively dealt with and prosecuted. The business and industry group believes that all companies should adhere to and respect the national forestry laws in force in the countries in which they operate;**

(c) **All Governments and stakeholders are urged to recognize that free and open markets, founded within effective processes of good governance, should be a major goal. The United Nations Forum on Forests should strive to reach a consensus on the importance of the relationship between trade liberalization and sustainability. Trade restrictions depress the value of wood products and the forests that supply them, thus diminishing the incentive to conserve and manage the forest land base. Principle 14 of the Non-legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of All Types of Forests[1] adopted by the United Nations Conferences on Environment and Development, discourages the use of trade measures to achieve environmental purposes, citing that they do not help to achieve sustainable forest management in the long term. In addition, during the World Summit on Sustainable Development, held in Johannesburg, South Africa, in 2002, ministers agreed to continue to enhance the mutual supportiveness of trade, environment and development with a view to achieving sustainable development;**

(d) **International and national efforts should encourage and support the role of forest product companies as central players in expanding the implementation of improved forest practices. The private sector often is on the cutting edge of new technology and in building and maintaining high skill levels in forest management. The transfer of knowledge and the application and use of improved forest management practices can come about through better collaboration and working relationships. Governments should seek the input and involvement of the private sector in addition to working with environmental NGOs in planning and carrying out projects, where appropriate;**

(e) **Country-level reporting on the IPF/IFF proposals for action needs to be streamlined into a manageable system that ultimately becomes part of a continual process of review and improvement.**

Notes

[1] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992* (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: *Resolutions adopted by the Conference*, resolution 1, annex III.